

Company Registration Number: 08357352 (England & Wales)

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**SPALDING GRAMMAR SCHOOL**

(A company limited by guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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**SPALDING GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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	Mr P Callow (resigned 26 November 2020) Mr A C Cunnington Mr C S Delaney Mr A Faulkner Mrs D Haslam (resigned 13 November 2021) Mrs S A L Hoult Mrs S Y Ely Mr E J Rees (resigned 14 November 2020) Mrs J Lutton (resigned 13 November 2021) Mrs J M Mayne (resigned 12 October 2020) Mr M Findall (resigned 12 October 2020) Mr M J Scott Mr S M Wilkinson, Head Teacher Mr M Chiappino (appointed 14 June 2021)
<b>Company registered number</b>	08357352
<b>Company name</b>	Spalding Grammar School
<b>Registered office</b>	Spalding Grammar School Priory Road Spalding Lincolnshire PE11 2XH
<b>Head Teacher</b>	Mr S M Wilkinson
<b>Senior management team</b>	Mr S M Wilkinson, Headteacher Mrs S P Ingram, Deputy Head Mr R W Smith, Assistant Head Mrs A Harrison Wild, Director of Resources Mr D M Endersbee, Assistant Head Mr A G Brooks, Assistant Head
<b>Independent auditors</b>	Streets Audit LLP Chartered Accountants Enterprise House, 38 Tyndall Court Commerce Road Lynchwood Peterborough Cambridgeshire PE2 6LR
<b>Bankers</b>	Natwest Bank 501 Silbury Boulevard Milton Keynes MK9 3ER

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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<b>Solicitors</b>	Maples Solicitors LLP 23 New Road Spalding Lincolnshire PE11 1DH
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**SPALDING GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

**Structure, governance and management**

**a. Constitution**

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary documents of the Trust

The Governors of Spalding Grammar School are also the directors of the charitable company for the purposes of company law.

Details of the Governors who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

**b. Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

**c. Governors' indemnities**

The School through its Articles has indemnified its Governors to the fullest extent permissible by law. During the period the School also purchased and maintained liability insurance for its Governors.

**d. Method of recruitment and appointment or election of Governors**

Governors are appointed under the rules contained within the memorandum and articles of association. The appointments are made by the governors who delegate powers to the Senior Team.

The membership of the Governing Body is in accordance with the structure contained within its memorandum and articles of association. Governors have a breadth of skills which are beneficial to the Governing Body as a whole.

Committees have been established that meet regularly to ensure the requirements are being met. Committees include separate Finance and Audit Committees. The Resource Committee meets at least 3 times per annum.

Further Sub-Committees have been formed to ensure compliance with the School Development Plan in the areas of Performance and Education.

All members of the Governing Body are to be directors of the School.

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Structure, governance and management (continued)**

**e. Policies adopted for the induction and training of Governors**

The School was incorporated on 11 January 2013 and commenced operations on 1 February 2013. Access to external Governor training has been provided and operating procedures have been delivered to all members of the Governing Body. All Governors are assigned to a Sub-Committee, reporting to the whole Governing Body. Where Governors have a relevant professional skill, the School seeks to use that skill within a particular Sub-Committee. Within the School, the Governors can access the policies and procedures via the Clerk to Governors. Governors are invited to attend whole school events and where appropriate, staff training and information sessions.

**f. Organisational structure**

The organisational structure consists of a Governor level and the senior Team. The structure is designed to enable all of these personnel to be involved whilst also devolving responsibility appropriately.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the School by use of budgets and making decisions about the direction of the School, capital expenditure and senior staff appointments.

The Senior Team, during the period, consisted of the Headteacher, one Deputy Head, three Assistant Heads and a Director of Resources, with all changes to the structure being shown on page 1 of the financial statements, who are responsible for communicating and implementing the School's strategies.

The Headteacher and Senior Team are responsible for the day to day running of the organisation, oversee the teaching staff and teams of administration and operational support. The structure and operation of the trust follows the guidelines set out in the academies handbook issued by the Department for Education.

The School accesses external agencies to ensure a broader provision of education and learning. The agencies include careers and guidance services.

**g. Trade union facility time**

The total number of employees who were relevant union officials during the period was 1. The total percentage of time spent as facility time by these representatives was 0% and therefore the cost of facility time as a percentage of total pay bill was 0%.

**Objectives and activities**

**a. Objects and aims**

The object of the charity is to advance for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad curriculum.

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**SPALDING GRAMMAR SCHOOL**  
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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Objectives and activities (continued)**

**b. Objectives, strategies and activities**

The School's principal aim is to ensure that all students have every opportunity to attain their potential intellectually, socially and personally. The cornerstone of our approach is the strength of the relationship between governors, staff, pupils and parents throughout our community. The friendly and orderly atmosphere combines with a stimulating academic environment to develop the qualities which lead to successful examination results, satisfying personal relationships, the correct blend of individual strengths and co-operation with others, as well as the confidence to face the challenges of the wider world. We strive to Inspire, challenge and enrich our students, as they set out in their seven year journey at Spalding Grammar School. The School is conscious of the need for continuous improvement of standards.

**c. Public Benefit**

The School provides educational services to boys predominantly from the South Holland district who have met the entry requirements by reaching the standard score of 220 in the 11+ examinations to qualify in the top 25% of the ability range in Lincolnshire. The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

**Strategic Report**

**Achievements and Performance**

Due to the pandemic the last two years performance has been based on teacher assessed grades (TAG's), as opposed to the usual examination system. Grades were then awarded by the Examination boards.

**A Levels**

Examination results are one of the key measures of our Sixth Form students' achievements. We consistently see students reaching top grades, with between 4 and 5 of every 10 grades being at A\* or A. Once B grades are also considered, our results have continued to go from strength to strength with almost 70% of all grades achieving A\*-B.

Due to the pandemic, 2019 was the last year of traditional examinations:

**A Levels (2019):**

In the last two years, the school achieved 100% pass rates with almost 40% of the grades being A\*-A and 67% being A\*-B.

**GCSEs (2019):**

The School had a strong cohort with 46% of grades being 7 or higher.

Notably there were eight students who all secured a total of 11 grades at 7 and above.

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Strategic Report (continued)**

**Achievements and Performance (continued)**

**a. Key Performance Indicators**

The School has been fully staffed during the period to 31st August 2021. The curriculum has met the standards expected. Staffing costs are the School's main expense and the value of the staff is demonstrated throughout the examination results as well as the level of enrichment and commitment demonstrated throughout the School.

In all of the expenditure, the Director of Resources, Finance Team, Senior Team and Governors seek best value and question financial decisions made.

The Audit Committee has undertaken reviews of internal systems and controls during the year and have not identified any significant issues to be reported to the Governors.

**b. Going concern**

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

**Financial Review**

The majority of the School's income derives from central funding via the Education and Skills Funding Agency. The School also receives further monies via Local Authority for special educational needs and pupil premium. In addition, the School raises funds by professional expertise in accessing grants, negotiating contracts and utilisation of the current facilities.

During the period ended 31st August 2021 the operating expenditure (excluding depreciation and pension liabilities) as an Academy of £5 million was covered by Education and Skills Funding Agency grants and other incoming resources. The excess of expenditure over income, excluding pension liabilities and depreciation, was £0.1 million.

Net current assets at the period end were £0.7 million. The assets were used exclusively for providing education and the associated support services to the learners of the School.

There is a declared deficit on the defined benefit pension scheme, Local Government Pension Scheme for associated staff. Whilst the value is significant, the Governors do not believe that the liability represents a material risk because the liability has been agreed with the Director of Resources to be spread over a twenty year period and will be planned into subsequent accounts. Payments have been agreed and are in place.

We are please to be successful in securing two Condition Improvement Fund (CIF) bids, for much needed flat and pitched roof repair's. The total of these projects will be in excess of £480,000. We are in the process of bidding for further roofing works in the next CIF bid round. If successful, it is likely that this work will take place during the summer 2022.

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**a. Reserves Policy**

The Trust holds total funds of £14,532,458 as at 31 August 2021. This includes £436,230 of restricted revenue funds, £208,257 of unrestricted revenue funds and £16,266,971 relates to the value of fixed assets and as such, would only become available by the disposal of tangible fixed assets.

It is the Trust's aim to keep the reserves so there is substantially more than one month's salary cost to hand in cash form at any point. A cash forecast is provided, cash is monitored on a daily basis and money is invested on deposit where appropriate.

**b. Investment Policy**

The Governors took the decision to invest £0.5m as part of a longer term strategy in order to realise the best return. The decision was taken after substantial financial advice and any returns will be utilised to benefit the Academy.

**Plans for Future Periods**

Until 22/23 when it is currently forecast we will not budget in a deficit, there are no plans for significant expenditure. The investment performance is regularly reviewed. The School will continue to budget prudently and develop the School facilities within the revenue budgets and with any capital funding we are able to access. There are plans in the future for an artificial all weather sports pitch and we will continue to work on the feasibility and potential funding for this.

**Principal Risks and Uncertainties**

**a. Financial and risk management objectives and policies**

The majority of the School's income is obtained from the Department for Education via the Education and Skills Funding Agency in the form of recurrent grants; the use of which is restricted to a particular purpose by the Objects of the Trust and also the Academies Financial Handbook. The grants received during the period ended 31st August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

**b. Risk management**

The Governors have assessed the major risks to which the School is exposed, in particular those relating to the specific teaching, provision of facilities and finances. The Governors have implemented a number of systems to assess the risks that the School faces (e.g. health and safety and school trips) and in relation to the control of finance. The Governors have implemented systems such as auditing of the finance area to demonstrate control and to minimise risk.

Risks to the School fall into three categories;

1. Financial - Income to the School is always forecast prudently and expenditure plans are approved by the whole Governing Body. The Headteacher is accountable to the Governors for restricting expenditure within the set budget. Numbers for Year 7 entry have increased to 152, which is 2 students over the PAN (150) and it is promising that we are highly likely to be at PAN(150) for 21/22 entry.
2. Performance - A huge decline in results would damage the reputation of the School and would impact the recruitment and retention of students with a subsequent loss of income. The Headteacher is accountable to the Governing Body for academic results.

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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3. Health & Safety - A range of risk assessments have been written. The assessments are reviewed annually. A Health & Safety lead has been established within the site team.

**Employment of Disabled Persons**

The School is of old construction and purpose built ramps have been put in place to ensure access and egress. The buildings comply with current legislation. There are adequate amounts of lifts and disabled toilet facilities. The School supports special educational needs and does this through training, career development and provision of qualified support personnel.

The Governors recognise that equal opportunities are an integral part of good practice in the workplace. The School aims for the highest standards in opportunity for all and ensures that the working environment allows the contribution needs of all to be understood, known and valued.

**Disclosure of information to auditors**

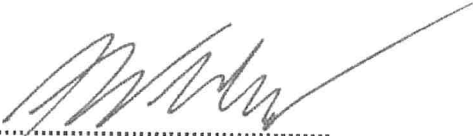
Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**Auditors**

The auditors, Streets Audit LLP, have indicated their willingness to continue in office. The designated Governors will propose a motion reappointing the auditors at a meeting of the Governors.

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on \_\_\_\_\_ and signed on its behalf by:

  
.....  
**Mr A Faulkner**  
Chairman of Governors

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**SPALDING GRAMMAR SCHOOL**  
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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

As Governors, we acknowledge we have overall responsibility for ensuring that Spalding Grammar School has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

As Governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Governors has delegated the day-to-day responsibility to Mr S M Wilkinson, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Spalding Grammar School and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The Board of Governors has formally met 9 times during the year.

Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Mr P Callow	2	2
Mr A C Cunningham	8	9
Mr C S Delaney	9	9
Mr A Faulkner	9	9
Mrs D Haslam	8	9
Mrs S A L Hoult	8	9
Mrs S Y Ely	9	9
Mr E J Rees	2	2
Mrs J Lutton	8	9
Mrs J M Mayne	1	1
Mr M Findall	0	1
Mr M J Scott	7	9
Mr S M Wilkinson, Head Teacher	9	9
Mr M Chiappino	2	2

**Governance reviews**

The Governing Body review and respond to any third party review of governance requirements. The Governing Body are aware of their responsibility to consider laws and regulations, finance systems and controls and also community responsibility. There have been no formal requests in the current year for a governance review. The board are aware of the requirement to ensure work of the Governing Body is effective.

The Resources Committee is a sub-committee of the main Board of Governors. Its purpose is to discuss and review any financial, building or other such matters arising.

Due to the impact of the COVID-19 pandemic, the Resources Committee meetings were held in conjunction with the Board of Governors meetings, therefore the attendance is included within the attendance of the Board of Governors meetings.

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**SPALDING GRAMMAR SCHOOL**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of value for money**

The School's principal aim is to ensure that all students have every opportunity to attain their potential intellectually, socially and personally. The cornerstone of our approach is the strength of the relationship between governors, staff, pupils and parents throughout our community. The friendly and orderly atmosphere combines with a stimulating academic environment to develop the qualities which lead to successful examination results, satisfying personal relationships, the correct blend of individual strengths and co-operation with others, as well as the confidence to face the challenges of the wider world. We strive to Inspire, challenge and enrich our students, as they set out in their seven year journey at Spalding Grammar School. The School is conscious of the need for continuous improvement of standards.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Spalding Grammar School for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Resource Committee.

**The risk and control framework**

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Governors has decided to employ School Business Services as internal auditor.

The role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The Audit Committee reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

There were no material control or other issues reported to date.

On a quarterly basis, the internal auditor reports to the Board of Governors through the audit and risk committee on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas

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**SPALDING GRAMMAR SCHOOL**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**The risk and control framework (continued)**

reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

**Review of effectiveness**

As accounting officer, Mr S M Wilkinson has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Principal Finance Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the Accounting Officer and Principal Finance Officer within the Academy who have responsibility for the development and maintenance of the internal control framework.

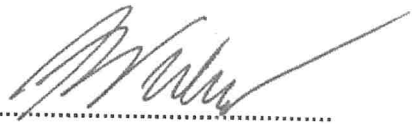
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Governors on  
on their behalf by:

and signed

S M Wilkinson

.....  
**Mr S M Wilkinson**  
Headteacher

  
.....  
**Mr A Faulkner**  
Governor

*S M Wilkinson*

S M Wilkinson  
16 December 2021

Headmaster  
Chief Accounting Officer  
Spalding Grammar School

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**SPALDING GRAMMAR SCHOOL**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of Spalding Grammar School I have considered my responsibility to notify the Academy Board of Governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Board of Governors are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2020.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Governors and ESFA.

SM Wilkinson

.....  
**Mr S M Wilkinson**  
Accounting Officer  
Date:

*Spalding*

Mr S M Wilkinson

Date : 16<sup>th</sup> December 2021  
Headmaster  
Chief Accounting Officer  
Spalding Grammar School

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**SPALDING GRAMMAR SCHOOL**  
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**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Governors on  
and signed on its behalf by:



.....  
**Mr A Faulkner**  
Governor

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
SPALDING GRAMMAR SCHOOL**

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**Opinion**

We have audited the financial statements of Spalding Grammar School (the 'academy') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
SPALDING GRAMMAR SCHOOL (CONTINUED)**

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**Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Governors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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**SPALDING GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
SPALDING GRAMMAR SCHOOL (CONTINUED)**

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**Responsibilities of trustees**

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company and sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, ESFA/DfE regulations, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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**SPALDING GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
SPALDING GRAMMAR SCHOOL (CONTINUED)**

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To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

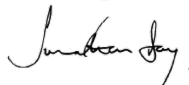
Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

#### **Use of our report**

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Jonathon Day (Senior statutory auditor)**

for and on behalf of

**Streets Audit LLP**

Chartered Accountants

Statutory Auditors

Enterprise House, 38 Tyndall Court

Commerce Road

Lynchwood

Peterborough

Cambridgeshire

PE2 6LR

Date: 17/12/21

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**SPALDING GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SPALDING  
GRAMMAR SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 11 June 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Spalding Grammar School during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Spalding Grammar School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Spalding Grammar School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Spalding Grammar School and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Spalding Grammar School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Spalding Grammar School's funding agreement with the Secretary of State for Education dated 30 January 2013 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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**SPALDING GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SPALDING  
GRAMMAR SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

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**Approach**

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

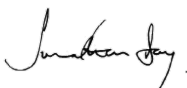
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

The work undertaken to draw our conclusions included:

- Review of the Academy's systems and controls to ensure effective design;
- Confirmation of satisfactory operation of controls during the year, including authorisation of invoices, payments and salary adjustments;
- Review of a sample of expenses focusing on those nominal codes considered to include transactions of a greater risk;
- Review of the reports from internal scrutiny work undertaken during the year;
- Discussions with the finance team.

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Jonathan Day (Reporting Accountant)  
**Streets Audit LLP**  
Chartered Accountants  
Statutory Auditors  
Enterprise House, 38 Tyndall Court  
Commerce Road  
Lynchwood  
Peterborough  
Cambridgeshire  
PE2 6LR

Date: 17/12/21

**SPALDING GRAMMAR SCHOOL**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>						
Donations and capital grants	3	-	6,017	310,697	316,714	34,125
Charitable activities		-	4,703,539	-	4,703,539	4,395,269
Other trading activities		800	88,745	-	89,545	189,794
Investments	6	35	55,956	-	55,991	630
School fund income	7	-	85,870	-	85,870	200,198
<b>Total income</b>		<b>835</b>	<b>4,940,127</b>	<b>310,697</b>	<b>5,251,659</b>	<b>4,820,016</b>
<b>Expenditure on:</b>						
Charitable activities		-	5,069,168	216,376	5,285,544	5,294,033
School fund		-	36,594	-	36,594	155,011
<b>Total expenditure</b>		<b>-</b>	<b>5,105,762</b>	<b>216,376</b>	<b>5,322,138</b>	<b>5,449,044</b>
<b>Net income/(expenditure)</b>		<b>835</b>	<b>(165,635)</b>	<b>94,321</b>	<b>(70,479)</b>	<b>(629,028)</b>
Transfers between funds	19	-	(41,281)	41,281	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>835</b>	<b>(206,916)</b>	<b>135,602</b>	<b>(70,479)</b>	<b>(629,028)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	27	-	(168,000)	-	(168,000)	(28,000)
<b>Net movement in funds</b>		<b>835</b>	<b>(374,916)</b>	<b>135,602</b>	<b>(238,479)</b>	<b>(657,028)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		207,422	(1,567,854)	16,131,369	14,770,937	15,427,965
<b>Total funds carried forward</b>		<b>208,257</b>	<b>(1,942,770)</b>	<b>16,266,971</b>	<b>14,532,458</b>	<b>14,770,937</b>

**SPALDING GRAMMAR SCHOOL**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08357352**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	14	16,266,971	16,131,369
		<u>16,266,971</u>	<u>16,131,369</u>
<b>Current assets</b>			
Debtors	15	131,976	123,576
Investments	16	558,606	502,649
Cash at bank and in hand		373,341	440,022
		<u>1,063,923</u>	<u>1,066,247</u>
Creditors: amounts falling due within one year	17	(335,561)	(278,054)
<b>Net current assets</b>		<u>728,362</u>	<u>788,193</u>
<b>Total assets less current liabilities</b>		<u>16,995,333</u>	<u>16,919,562</u>
Creditors: amounts falling due after more than one year	18	(21,875)	(30,625)
<b>Net assets excluding pension liability</b>		<u>16,973,458</u>	<u>16,888,937</u>
Defined benefit pension scheme liability	27	(2,441,000)	(2,118,000)
<b>Total net assets</b>		<u><u>14,532,458</u></u>	<u><u>14,770,937</u></u>
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	19	16,266,971	16,131,369
Restricted income funds	19	436,230	550,146
		<u>16,703,201</u>	<u>16,681,515</u>
Restricted funds excluding pension asset	19	16,703,201	16,681,515
Pension reserve	19	(2,379,000)	(2,118,000)
<b>Total restricted funds</b>	19	<u>14,324,201</u>	<u>14,563,515</u>
<b>Unrestricted income funds</b>	19	<u>208,257</u>	<u>207,422</u>
<b>Total funds</b>		<u><u>14,532,458</u></u>	<u><u>14,770,937</u></u>

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**SPALDING GRAMMAR SCHOOL**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08357352**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2021**

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The financial statements on pages 20 to 47 were approved by the Governors, and authorised for issue on  
and are signed on their behalf, by:

SM Wilkinson

A Faulkner (Chairman of Governors)

A Cunnington (Chairman of Resources  
Committee)

**Mr S M Wilkinson**

Headteacher and Accounting Officer

The notes on pages 24 to 47 form part of these financial statements.

A handwritten signature in black ink, appearing to read 'Adrian Cunnington', with a stylized flourish at the end.

Adrian Cunnington

Governor

Resources Committee Chair

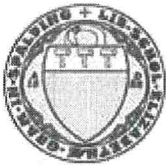
16 December 2021

*Alan J Faulkner*

This has been signed electronically whilst the author is working remotely. The Author verifies that he is satisfied with the contents and affirms that this digital signature is appended with his knowledge and consent.

**A J Faulkner MSc**

**Chairman of Governors**



Spalding Grammar School  
Priory Road, Spalding, Lincolnshire PE11 2XH  
01775 765800

*Spalding*

Mr S M Wilkinson

Date : 16<sup>th</sup> December 2021  
Headmaster  
Chief Accounting Officer  
Spalding Grammar School

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**SPALDING GRAMMAR SCHOOL**  
(A company limited by guarantee)

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	21	285,262	(181,955)
<b>Cash flows from investing activities</b>	23	(351,978)	(50,075)
<b>Cash flows from financing activities</b>	22	35	630
<b>Change in cash and cash equivalents in the year</b>		(66,681)	(231,400)
Cash and cash equivalents at the beginning of the year		440,022	671,422
<b>Cash and cash equivalents at the end of the year</b>	24, 25	<u>373,341</u>	<u>440,022</u>

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**SPALDING GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. Accounting policies**

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

**1.1 Basis of preparation of financial statements**

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Spalding Grammar School meets the definition of a public benefit entity under FRS 102.

**1.2 Going concern**

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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**SPALDING GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. Accounting policies (continued)**

**1.3 Income**

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy has provided the goods or services.

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in 'Stocks' and 'Income from Other Trading Activities'. Upon sale, the value of the stock is charged against 'Income from Other Trading Activities' and the proceeds are recognised as 'Income from Other Trading Activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from Other Trading Activities'.

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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**SPALDING GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. Accounting policies (continued)**

**1.4 Expenditure (continued)**

- **Charitable activities**

These are costs incurred on the Academy's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**1.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**1.6 Tangible fixed assets**

Assets costing £1,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

The estimated useful lives are as follows:

Land and buildings	- 125 years
Furniture and equipment	- 5 years
Computer equipment	- 3 years
Motor vehicles	- 4 years
Integral features	- 20 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

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**SPALDING GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. Accounting policies (continued)**

**1.7 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.8 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.9 Liabilities**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**1.10 Provisions**

Provisions are recognised when the Academy has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.11 Financial instruments**

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement bases are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

Investments are held at fair value.

Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.12 Operating leases**

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

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**SPALDING GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. Accounting policies (continued)**

**1.13 Pensions**

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

**1.14 Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy at the discretion of the Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

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**SPALDING GRAMMAR SCHOOL**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**2. Critical accounting estimates and areas of judgment**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Academy makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**3. Income from donations and capital grants**

	<b>Restricted funds 2021 £</b>	<b>Restricted fixed asset funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Donations	6,017	-	6,017	14,184
Capital grants	-	310,697	310,697	19,941
	<u>6,017</u>	<u>310,697</u>	<u>316,714</u>	<u>34,125</u>
<i>Total 2020</i>	<u>14,184</u>	<u>19,941</u>	<u>34,125</u>	

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**4. Funding for the Academy's educational operations**

	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	4,231,714	<b>4,231,714</b>	4,023,220
Other DfE/ESFA grants			
Other DfE Income	334,368	<b>334,368</b>	312,685
Pupil Premium	52,944	<b>52,944</b>	59,364
FSM	3,976	<b>3,976</b>	-
	<u>4,623,002</u>	<u><b>4,623,002</b></u>	<u>4,395,269</u>
<b>COVID-19 additional funding (DfE/ESFA)</b>			
Catch-up Premium	80,537	<b>80,537</b>	-
	<u>80,537</u>	<u><b>80,537</b></u>	<u>-</u>
	<u><u>4,703,539</u></u>	<u><u><b>4,703,539</b></u></u>	<u><u>4,395,269</u></u>
<i>Total 2020</i>	<u><u>4,395,269</u></u>	<u><u>4,395,269</u></u>	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy received £80,537 of funding for Covid-19 catch-up premium and costs in respect of this funding totalled £80,537 with no funding to be carried forward.

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**5. Income from other trading activities**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Hire of facilities	800	-	800	9,223
Catering income	-	39,417	39,417	106,645
Recharges and reimbursements	-	20,616	20,616	39,190
Other sales	-	28,712	28,712	34,736
	<u>800</u>	<u>88,745</u>	<u>89,545</u>	<u>189,794</u>
<i>Total 2020</i>	<u>9,223</u>	<u>180,571</u>	<u>189,794</u>	

**6. Investment income**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Short term deposits	35	-	35	630
Gain on current asset investments	-	55,956	55,956	-
	<u>35</u>	<u>55,956</u>	<u>55,991</u>	<u>630</u>
<i>Total 2020</i>	<u>630</u>	<u>-</u>	<u>630</u>	

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**7. Other charitable activities**

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
School fund income	85,870	85,870	200,198
	<u>85,870</u>	<u>85,870</u>	<u>200,198</u>
<i>Total 2020</i>	<u>200,198</u>	<u>200,198</u>	

**8. Expenditure**

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Academy's educational operations					
Direct costs	3,313,684	-	186,154	3,499,838	3,395,577
Allocated support costs	1,117,896	412,901	254,909	1,785,706	1,898,456
School Fund	-	-	36,594	36,594	155,011
	<u>4,431,580</u>	<u>412,901</u>	<u>477,657</u>	<u>5,322,138</u>	<u>5,449,044</u>
<i>Total 2020</i>	<u>4,375,751</u>	<u>410,218</u>	<u>663,075</u>	<u>5,449,044</u>	

**9. Analysis of expenditure by activities**

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Academy's educational operations	3,499,838	1,785,706	5,285,544	5,294,033
	<u>3,499,838</u>	<u>1,785,706</u>	<u>5,285,544</u>	<u>5,294,033</u>
<i>Total 2020</i>	<u>3,395,577</u>	<u>1,898,456</u>	<u>5,294,033</u>	

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**9. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	Educational operations 2021 £	Total funds 2021 £	Total funds 2020 £
Pension finance costs	35,000	35,000	36,000
Staff costs	1,117,896	1,117,896	1,188,723
Depreciation	216,376	216,376	234,781
Maintenance of premises and equipment	53,430	53,430	39,739
Cleaning	9,036	9,036	7,962
Rent, rates and utilities	104,820	104,820	96,796
Insurance	29,239	29,239	30,940
Recruitment and support	448	448	3,100
Security and transport	4,985	4,985	13,968
Catering	31,526	31,526	60,112
Bank interest and charges	2,383	2,383	1,764
Professional fees	28,500	28,500	27,645
Other support costs	73,195	73,195	98,437
Technology costs	70,577	70,577	50,619
Governance costs	8,295	8,295	7,870
	<u>1,785,706</u>	<u>1,785,706</u>	<u>1,898,456</u>
<i>Total 2020</i>	<u>1,898,456</u>	<u>1,898,456</u>	

**10. Auditors' remuneration**

	2021 £	2020 £
Fees payable to the Academy's auditor in respect of:		
Audit	7,000	7,000
Non-audit services	<u>1,295</u>	<u>870</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**11. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	3,185,927	3,109,137
Social security costs	303,311	305,394
Pension costs	835,047	853,471
	<hr/> 4,324,285	<hr/> 4,268,002
Agency staff costs	107,295	107,749
	<hr/> <hr/> 4,431,580	<hr/> <hr/> 4,375,751

**b. Staff numbers**

The average number of persons employed by the Academy during the year was as follows:

	2021 No.	2020 No.
Teachers	58	59
Administration and support	41	44
Management	6	7
	<hr/> 105	<hr/> 110

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**NOTES TO THE FINANCIAL STATEMENTS  
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**11. Staff (continued)**

**c. Higher paid staff**

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No.	2020 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-

**d. Key management personnel**

The key management personnel of the Academy comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £512,412 (2020 £487,072).

**12. Governors' remuneration and expenses**

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		2021 £	2020 £
Mr S M Wilkinson, Head Teacher	Remuneration	80,000 -	75,000 -
		85,000	80,000
	Pension contributions paid	15,000 -	15,000 -
Mrs D Haslam, Staff Governor		20,000	20,000
	Remuneration	30,000 -	30,000 -
		35,000	35,000
Mrs J M Mayne, Staff Governor	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000
	Remuneration	5,000 -	15,000 -
Mrs J Lutton, Staff Governor		10,000	20,000
	Pension contributions paid	0 - 5,000	0 - 5,000
	Remuneration	45,000 -	45,000 -
		50,000	50,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000

During the year ended 31 August 2021, no Governor expenses have been incurred (2020 - £NIL).

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**13. Governors' and Officers' insurance**

In accordance with normal commercial practice, the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2021 was £500 (2020 - £500). The cost of this insurance is included in the total insurance cost.

**14. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Integral features £	Total £
<b>Cost or valuation</b>						
At 1 September 2020	16,650,000	410,749	354,515	53,700	546,297	18,015,261
Additions	-	11,181	6,364	-	334,433	351,978
At 31 August 2021	16,650,000	421,930	360,879	53,700	880,730	18,367,239
<b>Depreciation</b>						
At 1 September 2020	1,010,100	374,149	295,433	53,700	150,510	1,883,892
Charge for the year	133,200	15,060	40,801	-	27,315	216,376
At 31 August 2021	1,143,300	389,209	336,234	53,700	177,825	2,100,268
<b>Net book value</b>						
At 31 August 2021	15,506,700	32,721	24,645	-	702,905	16,266,971
At 31 August 2020	15,639,900	36,600	59,082	-	395,787	16,131,369

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**15. Debtors**

	2021 £	2020 £
Trade debtors	1,486	28,926
VAT recoverable	72,837	34,619
Prepayments and accrued income	57,653	60,031
	<u>131,976</u>	<u>123,576</u>

**16. Current asset investments**

	2021 £	2020 £
Unlisted investments	558,606	502,649
	<u>558,606</u>	<u>502,649</u>

**17. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Trade creditors	87,579	13,066
Other taxation and social security	164,974	157,339
Other creditors	66,400	75,147
Accruals	16,608	32,502
	<u>335,561</u>	<u>278,054</u>

**18. Creditors: Amounts falling due after more than one year**

	2021 £	2020 £
Other creditors - loan	21,875	30,625
	<u>21,875</u>	<u>30,625</u>

The loan is to be repaid via repayments every six months of £4,375 which started in the 16/17 academic year. There is no interest charged on this loan.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. Statement of funds**

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
<b>Unrestricted funds</b>						
Unrestricted general funds	207,422	835	-	-	-	208,257
<b>Restricted general funds</b>						
Restricted General Fund	550,146	4,802,670	(4,875,305)	(41,281)	-	436,230
Pupil Premium	-	52,944	(52,944)	-	-	-
FSM	-	3,976	(3,976)	-	-	-
COVID-19 catchup	-	80,537	(80,537)	-	-	-
Pension reserve	(2,118,000)	-	(93,000)	-	(168,000)	(2,379,000)
	<u>(1,567,854)</u>	<u>4,940,127</u>	<u>(5,105,762)</u>	<u>(41,281)</u>	<u>(168,000)</u>	<u>(1,942,770)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Fund	16,131,369	310,697	(216,376)	41,281	-	16,266,971
<b>Total Restricted funds</b>	<u>14,563,515</u>	<u>5,250,824</u>	<u>(5,322,138)</u>	<u>-</u>	<u>(168,000)</u>	<u>14,324,201</u>
<b>Total funds</b>	<u>14,770,937</u>	<u>5,251,659</u>	<u>(5,322,138)</u>	<u>-</u>	<u>(168,000)</u>	<u>14,532,458</u>

The specific purposes for which the funds are to be applied are as follows:

The restricted general fund relates to all income and expenditure related to providing the provision of educational services to children in the local area.

Restricted fixed asset funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total resources expended within this fund include the depreciation charge for the year. The transfers figure is the amount of other funds used to acquire fixed assets.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. Statement of funds (continued)**

The pension reserve arises from the actuarial measurement of the Trust's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the Trust in the restricted pension fund. The amount included in resources expended represents the pension costs for the year charged to income and expenditure that arises from the actuarial calculations of service costs rather than employer contributions paid, and amounts to £93,000. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £168,000 actuarial decrease in the net pension fund deficit.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. Statement of funds (continued)**

Comparative information in respect of the preceding year is as follows:

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
<b>Unrestricted funds</b>						
Unrestricted general funds	197,569	9,853	-	-	-	207,422
<b>Restricted general funds</b>						
Restricted General Fund	798,221	4,790,222	(5,008,263)	(30,034)	-	550,146
Pension reserve	(1,884,000)	-	(206,000)	-	(28,000)	(2,118,000)
	<u>(1,085,779)</u>	<u>4,790,222</u>	<u>(5,214,263)</u>	<u>(30,034)</u>	<u>(28,000)</u>	<u>(1,567,854)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Fund	16,316,175	19,941	(234,781)	30,034	-	16,131,369
<b>Total Restricted funds</b>	<u>15,230,396</u>	<u>4,810,163</u>	<u>(5,449,044)</u>	<u>-</u>	<u>(28,000)</u>	<u>14,563,515</u>
<b>Total funds</b>	<u><u>15,427,965</u></u>	<u><u>4,820,016</u></u>	<u><u>(5,449,044)</u></u>	<u><u>-</u></u>	<u><u>(28,000)</u></u>	<u><u>14,770,937</u></u>

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**20. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	16,266,971	16,266,971
Current assets	208,257	855,666	-	1,063,923
Creditors due within one year	-	(335,561)	-	(335,561)
Creditors due in more than one year	-	(21,875)	-	(21,875)
Provisions for liabilities and charges	-	(2,441,000)	-	(2,441,000)
<b>Total</b>	<b>208,257</b>	<b>(1,942,770)</b>	<b>16,266,971</b>	<b>14,532,458</b>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	16,131,369	16,131,369
Current assets	207,422	858,825	-	1,066,247
Creditors due within one year	-	(278,054)	-	(278,054)
Creditors due in more than one year	-	(30,625)	-	(30,625)
Provisions for liabilities and charges	-	(2,118,000)	-	(2,118,000)
<b>Total</b>	<b>207,422</b>	<b>(1,567,854)</b>	<b>16,131,369</b>	<b>14,770,937</b>

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**21. Reconciliation of net expenditure to net cash flow from operating activities**

	2021 £	2020 £
Net expenditure for the year (as per Statement of financial activities)	<b>(70,479)</b>	<b>(629,028)</b>
<b>Adjustments for:</b>		
Depreciation	<b>216,376</b>	<b>234,781</b>
Interest receivable	<b>(35)</b>	<b>(630)</b>
Defined benefit pension scheme finance cost	<b>155,000</b>	<b>195,000</b>
(Gain)/loss on current asset investments	<b>(55,956)</b>	<b>7,393</b>
(Increase)/decrease in debtors	<b>(8,400)</b>	<b>3,774</b>
Increase in creditors	<b>48,756</b>	<b>6,755</b>
<b>Net cash provided by/(used in) operating activities</b>	<b>285,262</b>	<b>(181,955)</b>

**22. Cash flows from financing activities**

	2021 £	2020 £
Interest received	<b>35</b>	<b>630</b>
<b>Net cash provided by financing activities</b>	<b>35</b>	<b>630</b>

**23. Cash flows from investing activities**

	2021 £	2020 £
Purchase of tangible fixed assets	<b>(351,978)</b>	<b>(50,075)</b>
<b>Net cash used in investing activities</b>	<b>(351,978)</b>	<b>(50,075)</b>

**24. Analysis of cash and cash equivalents**

	2021 £	2020 £
Cash in hand and at bank	<b>373,341</b>	<b>440,022</b>
<b>Total cash and cash equivalents</b>	<b>373,341</b>	<b>440,022</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**25. Analysis of changes in net debt**

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	440,022	(66,681)	373,341
Liquid investments	502,649	55,957	558,606
	<u>942,671</u>	<u>(10,724)</u>	<u>931,947</u>

**26. Capital commitments**

	2021 £	2020 £
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	<u>156,259</u>	<u>-</u>

**27. Pension commitments**

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Barnett Waddingham LLP. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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**27. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £579,956 (2020 - £478,902).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £206,000 (2020 - £203,000), of which employer's contributions totalled £167,000 (2020 - £162,000) and employees' contributions totalled £ 39,000 (2020 - £41,000). The agreed contribution rates for future years are 19.9 per cent for employers and 5.5-12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

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**27. Pension commitments (continued)**

**Principal actuarial assumptions**

	<b>2021</b>	<i>2020</i>
	%	%
Rate of increase in salaries	<b>3.20</b>	<i>2.50</i>
Rate of increase for pensions in payment/inflation	<b>2.90</b>	<i>2.20</i>
Discount rate for scheme liabilities	<b>1.65</b>	<i>1.70</i>

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	<b>2021</b>	<i>2020</i>
	Years	Years
<i>Retiring today</i>		
Males	<b>21.20</b>	<i>21.40</i>
Females	<b>23.60</b>	<i>23.70</i>
<i>Retiring in 20 years</i>		
Males	<b>22.00</b>	<i>22.40</i>
Females	<b>25.10</b>	<i>25.20</i>

**Share of scheme assets**

The Academy's share of the assets in the scheme was:

	<b>2021</b>	<i>2020</i>
	£	£
Equities	<b>2,431,000</b>	<i>1,880,000</i>
Other bonds	<b>482,000</b>	<i>545,000</i>
Property	<b>351,000</b>	<i>272,000</i>
Cash and other liquid assets	<b>129,000</b>	<i>27,000</i>
<b>Total market value of assets</b>	<b>3,393,000</b>	<i>2,724,000</i>

The actual return on scheme assets was £578,000 (2020 - £118,000).

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**27. Pension commitments (continued)**

The amounts recognised in the Statement of Financial Activities are as follows:

	2021 £	2020 £
Current service cost	287,000	321,000
Interest income	(47,000)	(45,000)
Interest cost	84,000	81,000
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>324,000</b>	<b>357,000</b>

Changes in the present value of the defined benefit obligations were as follows:

	2021 £	2020 £
<b>At 1 September</b>	<b>4,842,000</b>	<b>4,332,000</b>
Current service cost	287,000	321,000
Interest cost	80,000	81,000
Employee contributions	39,000	41,000
Actuarial losses	699,000	101,000
Benefits paid	(113,000)	(34,000)
<b>At 31 August</b>	<b>5,834,000</b>	<b>4,842,000</b>

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2021 £	2020 £
<b>At 1 September</b>	<b>2,724,000</b>	<b>2,437,000</b>
Interest income	45,000	45,000
Actuarial gains	531,000	73,000
Employer contributions	167,000	162,000
Employee contributions	39,000	41,000
Benefits paid	(113,000)	(34,000)
<b>At 31 August</b>	<b>3,393,000</b>	<b>2,724,000</b>

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**28. Operating lease commitments**

At 31 August 2021 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<b>£</b>
Not later than 1 year	<b>4,209</b>	<i>11,480</i>
Later than 1 year and not later than 5 years	<b>-</b>	<i>4,209</i>
	<hr/> <b>4,209</b> <hr/>	<hr/> <i>15,689</i> <hr/>

**29. Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

**30. Related party transactions**

No related party transactions took place in the period of account, other than certain governors' remuneration and expenses already disclosed in note 12.